

**ENSLEY TOWNSHIP
NEWAYGO COUNTY, MICHIGAN**

AUDIT REPORT

MARCH 31, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name ENSLEY TOWNSHIP	County NEWAYGO
Fiscal Year End MARCH 31, 2006	Opinion Date MAY 9, 2006	Date Audit Report Submitted to State MAY 26, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

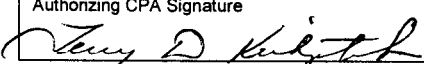
YES NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) TERRY KIRKPATRICK, CPA, P.C.		Telephone Number (231)796-3332		
Street Address 211 MAPLE STREET		City BIG RAPIDS	State MI	Zip 49307
Authorizing CPA Signature 		Printed Name TERRY D. KIRKPATRICK		License Number 18035

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CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

To the Township Board
Ensley Township, Newaygo County

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ensley Township, Newaygo County, Michigan, as of and for the year ended March 31, 2006, which collectively comprise Ensley Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Ensley Township, Newaygo County, Michigan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ensley Township, Newaygo County, Michigan, as of March 31, 2006, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Ensley Township has implemented a new financial reporting model, as required by provisions of GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis- for State and Local Governments*, as of March 31, 2005. However, management has elected not to present the Management's Discussion and Analysis portion of the financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Ensley Township, Newaygo County, Michigan basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

 Terry Kirkpatrick, CPA, P.C.

Big Rapids, Michigan
May 9, 2006

BASIC FINANCIAL STATEMENTS

Ensley Township – Newaygo County, Michigan

Government Wide Statement of Net Assets

March 31, 2006

With Comparative Amounts at March 31, 2005

	Governmental Activities	
	<u>2006</u>	<u>2005</u>
ASSETS		
Cash and Cash Equivalents	\$ 541,820	\$ 542,999
Receivables - Other Governmental Units	25,141	23,217
Capital Assets (Net)	72,728	75,736
Total assets	<u>\$ 639,689</u>	<u>\$ 641,952</u>
LIABILITIES		
Deposits Payable	\$ 3,522	\$ 1,893
NET ASSETS		
Invested in capital assets, net of related debt	72,728	75,736
Unrestricted	563,439	564,323
Total net assets	<u>636,167</u>	<u>640,059</u>
Total liabilities and net assets	<u>\$ 639,689</u>	<u>\$ 641,952</u>

The "Notes to Financial Statements" are an integral part of these statements.

Ensley Township – Newaygo County, Michigan

Government Wide Statement of Activities

For the Year Ended March 31, 2006

With Comparative Totals for the Year Ended March 31, 2005

	Expenses	Program Revenues Charges for Services	Operating Grants	Governmental Activities Net (Expense) Revenue and Changes in Net Assets	Totals 2005
PRIMARY GOVERNMENT					
General Government	\$ 110,546	\$ 0	\$ 0	(110,546)	(100,435)
Public Safety	117,452	0	0	(117,452)	(87,190)
Public Works	213,424	176,177	0	(37,247)	18,950
Cultural and Recreation	3,073	0	0	(3,073)	(5,067)
Other Functions	13,499	0	0	(13,499)	(11,763)
Depreciation (unallocated)	3,008	0	0	(3,008)	(3,008)
Total primary government	\$ 461,002	\$ 176,177	\$ 0	(284,825)	(188,513)

General Revenues			
Property Tax, levied for general operations	57,343		55,155
State Grants	176,959		178,394
Charges for Services	27,319		28,843
Interest Earnings	5,814		3,635
Other Revenue	13,498		13,890
Total general revenues	280,933		279,917
Change in Net Assets			
Net assets - Beginning of year	(3,892)		91,404
Net assets - End of year	640,059		548,655
	\$ 636,167	\$	640,059

The "Notes to Financial Statements" are an integral part of these statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Ensley Township – Newaygo County, Michigan
 Governmental Fund Balance Sheet
 March 31, 2006
 With Comparative Totals at March 31, 2006

	General Fund	Road Fund	Non-Major Governmental Funds	Total Governmental Funds	Total 2005
ASSETS					
Cash and Cash Equivalents	\$ 322,890	\$ 207,644	\$ 11,286	\$ 541,820	\$ 542,999
Due from Newaygo County	5,790	19,061	0	24,851	22,962
Due from Current Tax Fund	290	0	0	290	255
Total assets	\$ 328,970	\$ 226,705	\$ 11,286	\$ 566,961	\$ 566,216
LIABILITIES AND FUND EQUITY					
Deposits Payable	\$ 3,522	\$ 0	\$ 0	\$ 3,522	\$ 1,893
Fund Balance - Unreserved and Undesignated	325,448	226,705	11,286	563,439	564,323
Total liabilities and fund equity	\$ 328,970	\$ 226,705	\$ 11,286	\$ 566,961	\$ 566,216
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets					
Total Governmental Fund Balances				\$ 563,439	\$ 564,323
Amounts reported for governmental activities in the statement of net assets are different because:					
Cost of capital assets, net of depreciation				72,728	75,736
Net assets of governmental activities				\$ 636,167	\$ 640,059

The "Notes to Financial Statements" are an integral part of these statements.

Ensley Township – Newaygo County, Michigan
Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended March 31, 2006
With Comparative Totals for the Year Ended March 31, 2005

	General Fund	Road Fund	Non-Major Governmental Funds	Total Government Funds	Totals 2005
REVENUES					
Property Tax	\$ 57,343	\$ 176,177	\$ 0	\$ 233,520	\$ 223,710
Licenses and Permits	3,169	0	0	3,169	1,909
State Grants	176,959	0	0	176,959	178,394
Charges for Services	5,935	0	18,215	24,150	26,934
Interest and Rents	3,468	2,346	0	5,814	3,635
Other Revenue	9,628	3,870	0	13,498	13,890
Total revenues	256,502	182,393	18,215	457,110	448,472
EXPENDITURES					
General Government	110,546	0	0	110,546	100,435
Public Safety	100,429	0	17,023	117,452	87,190
Public Works	33,837	179,587	0	213,424	149,605
Cultural and Recreation	3,073	0	0	3,073	5,067
Other Functions	13,499	0	0	13,499	11,763
Total expenditures	261,384	179,587	17,023	457,994	354,060
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,882)	2,806	1,192	(884)	94,412
Fund Balance - April 1,	330,330	223,899	10,094	564,323	469,911
Fund Balance - March 31,	\$ 325,448	\$ 226,705	\$ 11,286	\$ 563,439	\$ 564,323

The "Notes to Financial Statements" are an integral part of these statements.

Ensley Township – Newaygo County, Michigan

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Year Ended March 31, 2006

With Comparative Amounts for the Year Ended March 31, 2005

	<u>2006</u>	<u>2005</u>
Net Change in Fund Balances - Total Government Funds	\$ (884)	\$ 94,412
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation		
Depreciation expense	(3,008)	(3,008)
Change in Net Assets of Governmental Activities	<u>\$ (3,892)</u>	<u>\$ 91,404</u>

The "Notes to Financial Statements" are an integrated part of these statements.

Ensley Township – Newaygo County, Michigan

Fiduciary Fund

Statement of Net Assets

March 31, 2006

With Comparative Amounts at March 31, 2005

	<u>Agency Fund Type</u>	
	<u>Property Tax Collection Fund</u>	
	<u>2005</u>	<u>2006</u>
ASSETS		
Cash and Cash Equivalents	\$ 255	\$ 290
LIABILITIES		
Due to General Fund	\$ 255	\$ 290

The "Notes to Financial Statements" are an integrated part of these statements.

NOTES TO FINANCIAL STATEMENTS

Ensley Township – Newaygo County, Michigan

Notes to Financial Statements

For the Year Ended March 31, 2006

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Ensley Township conform to accounting policies generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Ensley Township:

Reporting Entity

The Township is governed by an elected, five-member, Board. The accompanying financial statements present the government and its component units; entities for which the government is considered to be financially accountable. Based on the application of the criteria, the Township does not contain any component units.

Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Based Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be "available" if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes – Ensley Township's property tax is levied on each December 1st on the taxable valuation of property located within Ensley Township as of the preceding December 31st.

Ensley Township – Newaygo County, Michigan

Notes to Financial Statements - Continued

For the Year Ended March 31, 2006

Although the Ensley Township 2005 ad valorem tax is levied and collectible on December 1, 2005, it is Ensley Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations.

The 2005 taxable valuation of Ensley Township totaled approximately \$59,650,000, on which ad valorem taxes levied consisted of .8972 mills for the Township operating purposes and an additional 2.9532 mills for roads. These amounts are recognized in the respective General and Special Revenue Fund financial statements as Due from Newaygo County and/or as a tax revenue.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted-for in another fund.

The Road Fund is used to record property tax and interest for expenditures for road improvements.

Additionally, the Township reports the following fund types:

The Township reports a Fiduciary Fund (Agency Fund). This fund accounts for taxes and special assessments collected by the Township as an agent for other taxing units. Fiduciary Fund net assets and results of operations are not included in the government-wide financial statements. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Township reports one non-major special revenue funds for a building and electrical fund.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Assets, Liabilities and Net Assets or Equity

Deposits and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other funds". Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds".

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st and are considered delinquent on March 1st of the following year, at which time interest and penalties are assessed.

Capital Assets – Capital assets, which include property, plant and equipment assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$3,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Building	40 years
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Ensley Township – Newaygo County, Michigan

Notes to Financial Statements - Continued
For the Year Ended March 31, 2006

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental units. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, activity and line items. The legal level of budgetary control adopted by the governing body is the activity level. State law requires the Township have its budget in place by April 1st. Expenditures in excess of amounts budgeted is a violation of Michigan Law. State law permits a township to amend its budgets during the year.

NOTE C – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations, which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township has designated two banks for the deposit of Township Funds. The investment policy adopted by the Township Board in accordance with Public Act 196 of 1997 has authorized investment in bank accounts and certificates of deposit, but not the remainder of State statutory authority as listed above.

The Township's deposits and investment policy are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 541,820

The bank balance of the primary government's deposits is \$543,283, of which \$230,000 is covered by federal depository insurance.

NOTE D – RECEIVABLES

Receivables as of year-end for the government's individual major and non-major funds are as follows:

	General	Road Millage	Non-Major	Total
Taxes receivable	\$ 5,790	\$ 19,061	\$ 0	\$ 24,851

Ensley Township – Newaygo County, Michigan

Notes to Financial Statements - Continued

For the Year Ended March 31, 2006

NOTE E – CAPITAL ASSETS

Capital asset activity of the governmental activities for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated				
Buildings	\$ 204,766	\$ 0	\$ 0	\$ 204,766
Less Accumulated depreciation for Capital assets	(129,030)	(3,008)	(0)	(132,038)
Net capital assets	\$ 75,736	\$ (3,008)	\$ 0	\$ 72,728

Depreciation expense was not charged to activities as the Township considers its assets to impact multiple activities and allocation is not practical.

NOTE F– INTERFUND RECEIVABLES and PAYABLES

Receivable Fund	Payable Fund	Amount
General	Agency	\$ 290

NOTE G – RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). The Township has purchased workers' compensation insurance for such claims. Settled claims relating to the workers' compensation insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTAL INFORMATION

Ensley Township – Newaygo County, Michigan

Budgetary Comparison Schedule

General Fund

For the Year Ended March 31, 2006

With Comparative Actual Amounts For the Year Ended March 31, 2005

	Original Budget	Amended Budget	Actual	Variance with Final Budget Favorable (Unfavorable)	Actual 2005
BEGINNING OF YEAR FUND BALANCE	\$ 330,330	\$ 330,330	\$ 330,330	\$ 0	\$310,857
Resources (inflows)					
Property Tax	54,962	54,962	57,343	2,381	55,155
Licenses and Permits	2,370	2,370	3,169	799	1,909
State Grants	180,699	180,699	176,959	(3,740)	178,394
Charges for Services	4,500	4,500	5,935	1,435	7,545
Interest and Rents	2,000	2,000	3,468	1,468	2,868
Other Revenue	4,500	4,500	9,628	5,128	3,367
Amounts Available for Appropriation	579,361	579,361	586,832	7,471	560,095
Changes to Appropriations (outflows)					
General Government					
Township board	29,925	29,925	25,686	4,239	24,685
Supervisor	8,186	8,186	7,944	242	7,464
Elections	3,200	3,200	1,679	1,521	3,718
Assessor	21,200	21,200	21,139	61	20,178
Clerk	14,000	14,000	13,988	12	10,092
Board of review	1,050	1,050	995	55	687
Treasurer	16,320	16,320	16,264	56	15,817
Townhall	8,715	8,715	4,782	3,933	4,859
Cemetery	18,350	18,350	18,069	281	12,935
Public Safety					
Fire protection	35,985	35,985	35,428	557	34,177
Police protection	45,000	45,000	44,094	906	15,494
Building and zoning	11,620	11,620	10,043	1,577	9,998
Planning	10,875	10,875	10,864	11	3,749
Public Works					
Highways, streets & bridges	34,150	34,150	33,262	888	47,513
Public Drain	0	0	491	(491)	1,486
Street lighting	0	0	84	(84)	83
Cultural Recreation					
Parks	4,900	4,900	3,073	1,827	5,067
Other Functions					
Insurance and Bonds	8,600	8,600	7,682	918	6,393
Social security/ medicare tax	1,700	1,700	1,650	50	1,374
Retirement	4,200	4,200	4,167	33	3,996
Total Charges to Appropriations	277,976	277,976	261,384	16,592	229,765
Budgetary Fund Balance - March 31,	\$ 301,385	\$ 301,385	\$ 325,448	\$ 24,063	\$330,330

Ensley Township – Newaygo County, Michigan

Budgetary Comparison Schedule

Road Fund

For the Year Ended March 31, 2006

With Comparative Actual Amounts for the Year Ended March 31, 2005

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)	<u>Actual 2005</u>
BEGINNING OF YEAR FUND BALANCE	\$ 223,899	\$ 223,899	\$ 223,899	\$ 0	\$ 151,435
Resources (inflows)					
Property Tax	168,500	168,500	176,177	7,677	168,555
Interest and Rents	700	700	2,346	1,646	767
Other Revenue	3,665	3,665	3,870	205	3,665
Amounts Available for Appropriation	396,764	396,764	406,292	9,528	324,422
Charges to Appropriations (outflows)					
Public Works					
Highways, Streets, and Bridges	259,730	259,730	179,587	80,143	100,523
BUDGETARY FUND BALANCE - March 31	\$ 137,034	\$ 137,034	\$ 226,705	\$ 89,671	\$ 223,899

OTHER SUPPLEMENTAL INFORMATION

Ensley Township – Newaygo County, Michigan

Balance Sheet

Non-Major Governmental Funds

March 31, 2006

With Comparative Amounts at March 31, 2005

	<u>Building and Electrical Fund</u>	
	<u>2005</u>	<u>2006</u>
ASSETS		
Cash and Cash Equivalents	\$ 10,094	\$ 11,286
LIABILITIES AND FUND EQUITY		
Fund Balance		
Unreserved and undesignated	\$ 10,094	\$ 11,286

Ensley Township – Newaygo County, Michigan
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Non-Major Governmental Fund
 For the Year Ended March 31, 2006
 With Comparative Amounts for the Year Ended March 31, 2005

	Building and Electrical Fund	
	<u>2005</u>	<u>2006</u>
REVENUES		
Charges for Services	\$ 19,389	\$ 18,215
Other Revenues	6,858	0
Total revenues	<u>26,247</u>	<u>18,215</u>
EXPENDITURES		
Public safety	<u>23,772</u>	<u>17,023</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,475	1,192
FUND BALANCE - April 1,	<u>7,619</u>	<u>10,094</u>
FUND BALANCE - March 31,	<u>\$ 10,094</u>	<u>\$ 11,286</u>

TERRY KIRKPATRICK, CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

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May 9, 2006

Members of the Township Board
Ensley Township
Newaygo County, Michigan

I have recently completed my audit of the basic financial statements of Ensley Township for its year ended March 31, 2006. During this audit, I had an opportunity to observe accounting and financial procedures and many of your general management practices. As a result of my auditing procedures, there are some comments I want to present.

FINANCIAL RECORDS IN GOOD ORDER

The Township Clerk and Treasurer appear to have done a very good job of maintaining the financial records of Ensley Township again this year. Keep up the good work.

MUNICIPAL FINANCE QUALIFYING STATEMENT

Enclosed is a form that should be completed and mailed to the Local Audit and Finance Division of the Michigan Department of Treasury. This form should assist the Township in obtaining approval for obtaining outside financing in the event it becomes necessary.

OTHER MATTERS

I want to thank your personnel for the courtesy and cooperation shown me by them during the audit.

I have mailed two copies of the audit report and this letter to the Michigan Department of Treasury.

If you have any questions regarding the above or the audit, please contact me.

Terry Kirkpatrick, CPA, P.C.